

**SINGAPORE POST LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 199201623M)

**ANNOUNCEMENT ON:**

- 1. WHISTLEBLOWING REPORTS,**
- 2. DISCIPLINARY PROCEEDINGS, AND**
- 3. LEADERSHIP SUCCESSION FOLLOWING TERMINATION OF GCEO, GCFO AND CEO-IBU**

**Whistleblowing Reports**

Singapore Post Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to inform shareholders that the Company had earlier in the year received a whistleblowing report relating to the Group’s non-regulated international e-commerce logistics parcels business. The whistleblowing report stated that there were alleged manual entries of certain delivery status codes<sup>1</sup> by the International Business Unit Operations (“**SP IBU Ops**”) for international transshipment parcels which the Company had agreed to deliver under an agreement with one of its largest customers, allegedly without basis or supporting documentation and with the intention of avoiding contractual penalties under the agreement<sup>2</sup>. A whistleblowing report on the same matter was also sent to the Info-communications Media Development Authority of Singapore (“**IMDA**”).

Group Internal Audit (“**GIA**”), under the oversight of the Audit Committee, commenced internal investigations into the matter promptly upon receipt of the whistleblowing reports. In connection with these investigations, external legal counsel and a forensics service provider were also engaged to assist with the review of and advise on the matters raised in the whistleblowing reports. Following completion of the internal investigations, and upon further review and assessment by the external professional advisers, the Company commenced disciplinary proceedings against three managers with various operations responsibilities in SP IBU Ops who were directly involved in the matter. It was found that these three individuals had committed serious breaches of the Company’s Code of Conduct by performing/approving manual updates of the “DF” (delivery failure) status code for parcels which the Company had agreed to deliver, even though no delivery attempt had been made and without supporting documents. These manual updates were not made in accordance with the Company’s standard processes regarding status updates for deliveries. The employment of these three individuals was earlier terminated. The Company has also made a police report against the three individuals.

The Company has informed the customer about the whistleblowing reports and the findings regarding the inaccurate status codes submitted to the customer. A settlement agreement under which, amongst others, the Company would pay the customer a settlement sum in lieu of the penalties which would otherwise have been levied in connection with the manual updates<sup>3</sup>, was eventually agreed upon and executed. The settlement is not expected to have a material impact on the Company’s net tangible assets or earnings per share for the current financial year. The Company’s business with the customer has not been materially affected, and the contract has since been renewed following the settlement.

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<sup>1</sup> These relate to system entries to indicate the status of deliveries. A “delivery failure” or “DF” entry indicates a failed delivery attempt which, under the relevant agreement, would affect whether certain key performance indicators were satisfied. In turn, this would have an impact on whether certain contractual penalties would be payable.

<sup>2</sup> The relevant penalties payable under the agreement were: (i) for false entries, (ii) if a specified percentage of transactions per month did not meet certain key performance indicators with reference from the time of “linehaul handover” to “delivery”; and (iii) if a specified percentage of transactions relating to specific countries per month did not meet certain key performance indicators with reference from the time of “linehaul handover” to “delivery”.

<sup>3</sup> These penalties would comprise the penalties described in footnote 2 above.

IMDA as well as Deloitte & Touche LLP, the Company's external auditors, have been kept apprised of material developments in the matter.

The Company's whistleblowing policies and processes enable staff or any other person to raise, in confidence, concerns about possible improprieties, including concerns about the Group and on the conduct of officers or staff. The whistleblowing reports were fully investigated, professionally and fairly, in accordance with these policies and processes, and were addressed properly and expeditiously. This is a reflection of the effectiveness and impartiality of the Company's whistleblowing policies and stringent corporate governance standards.

The Board is of the view that the Group's internal controls and risk management systems are adequate to address the risks which the Group considers relevant and material to its operations and finances. However, no system of internal controls, no matter how robust, can provide absolute assurance against deliberate misconduct or fraud. Appropriate actions have been taken on the matters, and operational measures have been enhanced to prevent similar occurrences.

### **Disciplinary Proceedings**

The Company also wishes to inform shareholders that, in the course of internal investigations into the whistleblowing reports, external professional advisers were engaged to review and assess the matter independently of management, as the Audit Committee had no assurance concerning management's representations and handling of the internal investigations. An external law firm was subsequently engaged to review management's conduct in the matter.

Following completion of the review and assessment by the external law firm, the Company commenced disciplinary proceedings against (among others) Mr Phang Heng Wee, Vincent, the Group Chief Executive Officer ("**GCEO**"), Mr Yik Yen Shan, Vincent, the Group Chief Financial Officer ("**GCFO**") and Mr Li Yu, the Chief Executive Officer, SP IBU Ops ("**CEO-IBU**"). These proceedings concluded at the close of business on 20 December 2024. Pursuant to this, it was found that, in relation to the handling of internal investigations into the whistleblowing reports and renewal of the related agreement, GCEO, GCFO and CEO-IBU were grossly negligent and had omitted to consider material facts that compromised their decision-making and/or failed to perform their duties responsibly and reliably. In particular, in relation to the handling of the whistleblowing reports, it was found that GCEO, GCFO and CEO-IBU had accorded undue weight to the misrepresentations by representative(s) from SP IBU Ops without any independent substantiation or evidence, and had in turn made various serious misrepresentations to the Audit Committee, which has oversight responsibilities on internal controls, financial reporting, fraud, compliance and risk management systems, including oversight and monitoring of whistleblowing.

GCEO, GCFO and CEO-IBU were accordingly found to have failed to exercise due diligence and breached their duties to the Company. In particular, as employees of the Company, GCEO, GCFO and CEO-IBU had breached their duty to use reasonable care and skill in the performance of their duties. The serious misrepresentations also effectively undermined GIA, an independent and important group function which manages and investigates whistleblowing incidents. Given the seriousness of these lapses and findings, the Board has lost confidence and trust in the judgment of GCEO, GCFO and CEO-IBU, and in their ability to perform their duties towards promoting and protecting the interests of the Company.

Following completion of the disciplinary proceedings, therefore, the employment of GCEO, GCFO and CEO-IBU has been terminated with immediate effect on 21 December 2024. The Announcement of

Cessation relating to the termination of employment for each of GCEO and GCFO in the prescribed Appendix 7.4.2 format have been released together with this announcement. GCEO has been requested to resign as a Director of the Company and all its related companies in accordance with his contractual obligations.

Each of GCEO and GCFO has, through their solicitors, indicated that he will vigorously contest the termination of his employment, both on merits and on the grounds of procedural unfairness.

### **Leadership Succession**

The Company will, subject to requisite regulatory approvals, announce the appointment of the new GCEO in due course. In accordance with the Company's succession plan, Mr Isaac Mah, currently chief financial officer of the Company's Australian business, the FMH Group, will be appointed as the new GCFO, subject to the necessary regulatory approvals. In the interim, Mr Simon Israel, the Chairman of the Board, will on behalf of the Board, provide increased guidance to and exercise greater oversight of the senior management leadership team in the Company.

Postal services in Singapore will not be affected. Each of the Group's businesses has its own Chief Executive Officer and leadership team, and will continue to operate normally. An acting Chief Executive Officer will be appointed to lead the International Business Unit (IBU) pending a Board review of the business unit. No appointment of a new CEO-IBU is being proposed at this stage.

The Board recognises the importance of maintaining business continuity despite the events which have occurred following the whistleblowing reports, and the need to minimise the impact on its customers, employees, operations and assets. The Board believes that the robust business continuity policies and procedures which have been implemented, as well as the leadership succession plans as detailed above, will serve to address the effects of any disruption which may be caused by such events.

The Company will make further announcements as and when there are material developments.

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